

Treasury Debt Management



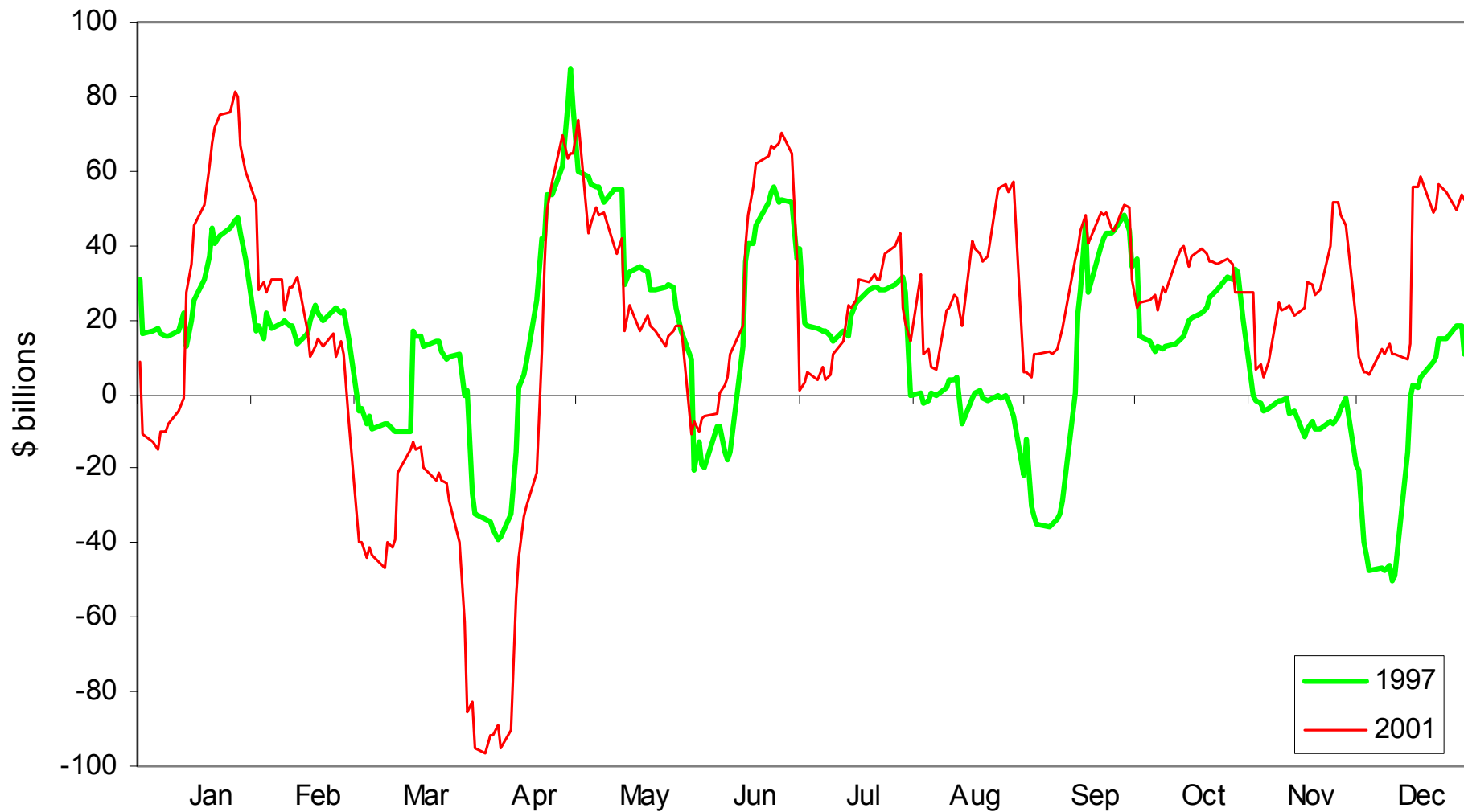
Timothy Bitsberger
Deputy Assistant Secretary
U.S. Treasury Department

Treasury Securities

Instruments	Average Auction	Frequency
4-Week Bill	\$15 billion	Weekly
13-Week Bill	\$14 billion	Weekly
26-Week Bill	\$13 billion	Weekly
2-Year Note	\$27 billion	Monthly
5-Year Note	\$22 billion	Quarterly
10-Year Note	\$18 billion	Quarterly
10-Year IIS	\$7 billion	Tri-Annually

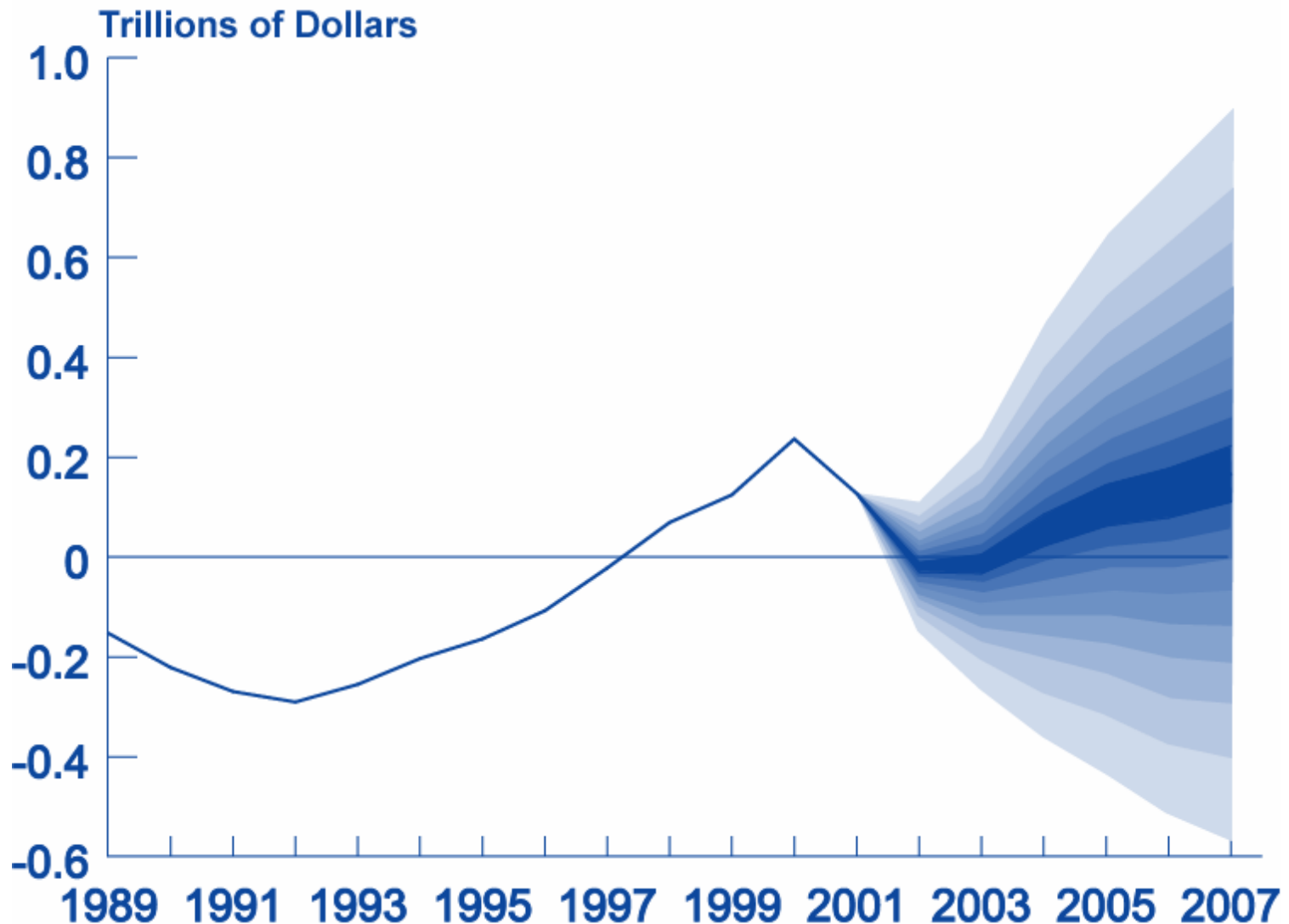
Daily Cash Balances

Excluding Cash Management Bills

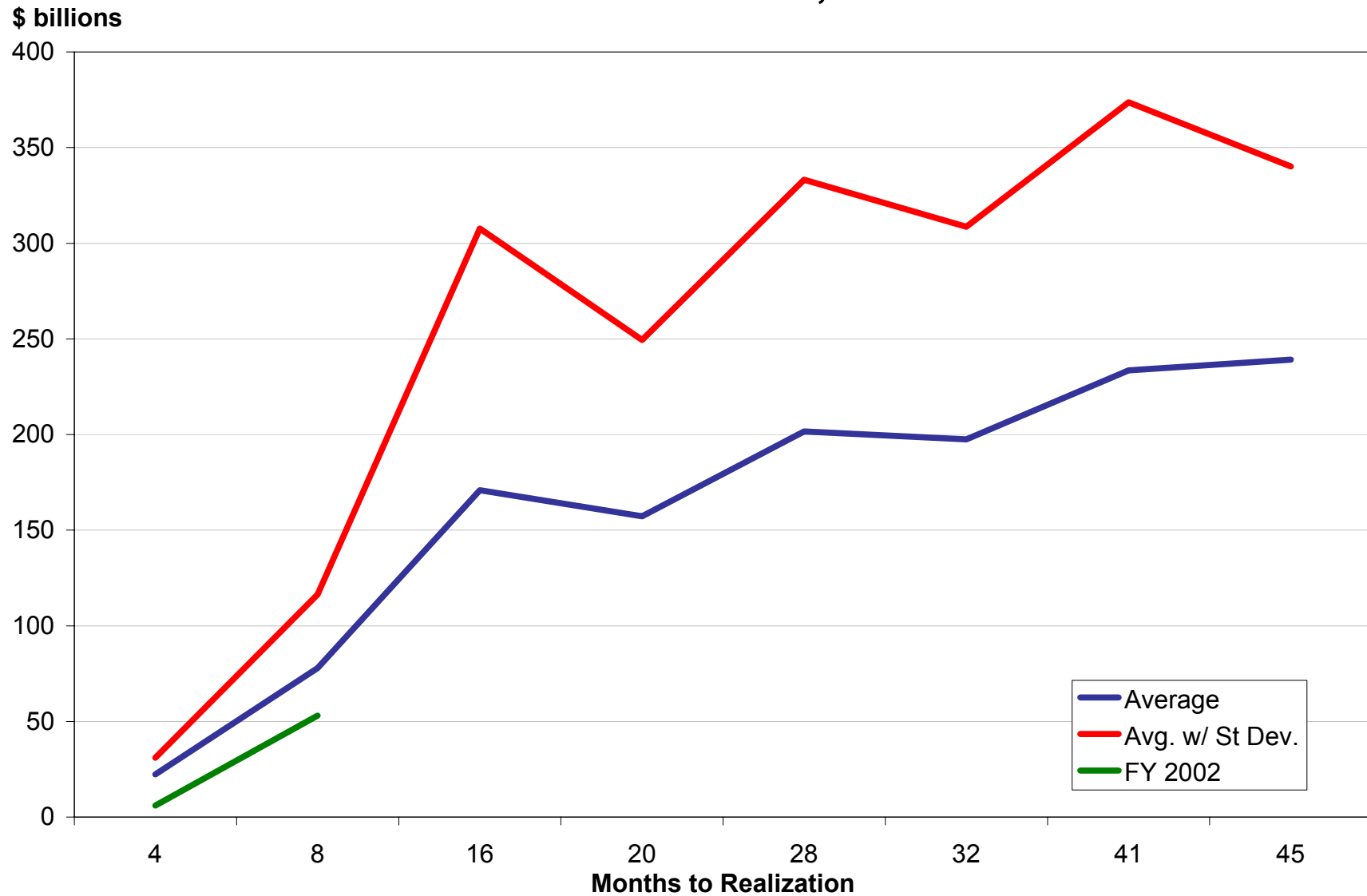




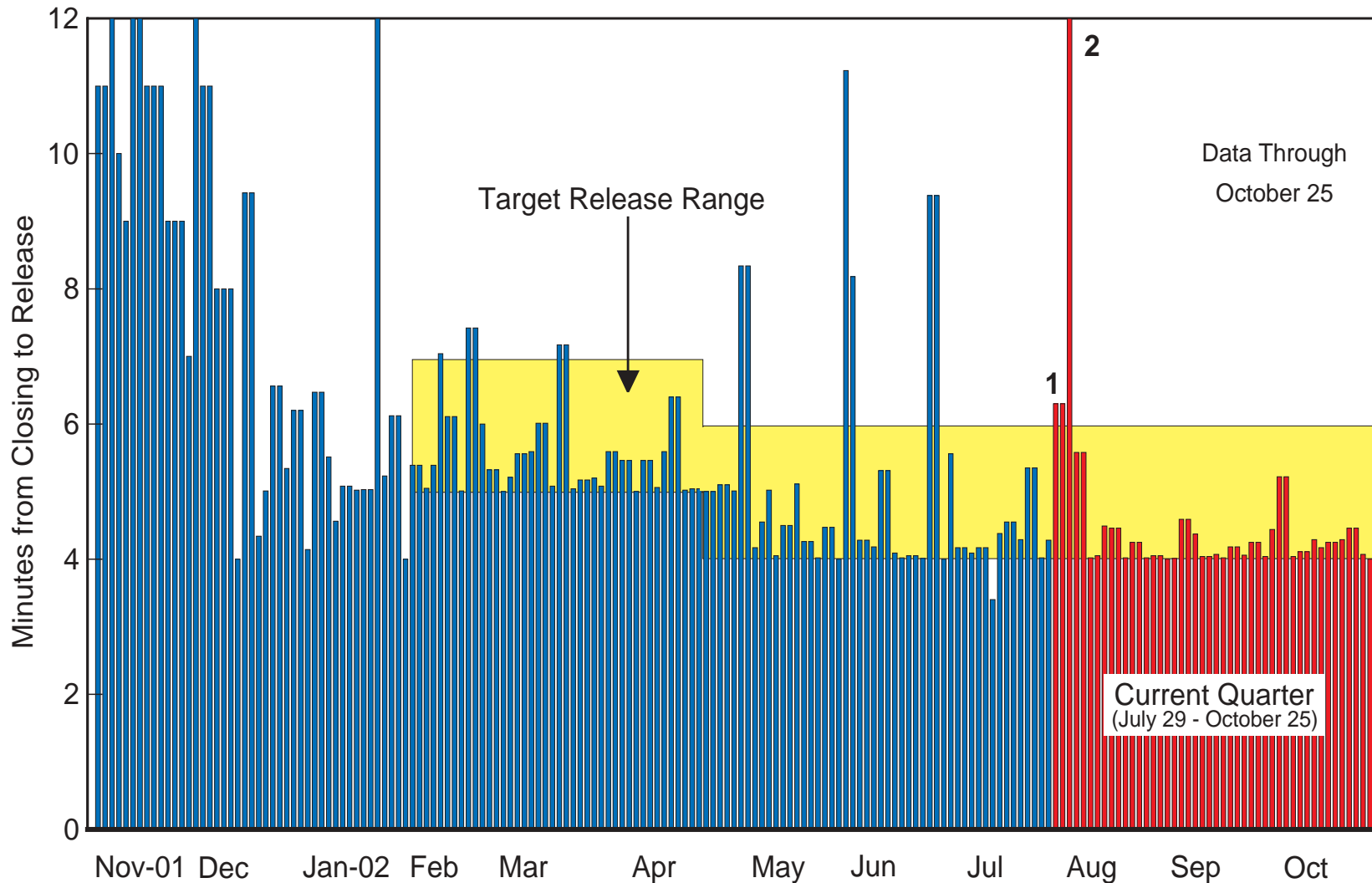
Uncertainty in CBO's Projections of the Total Budget Surplus Under Current Policies



OMB Forecast Errors, 1996 - 2002



AUCTION RELEASE TIMES

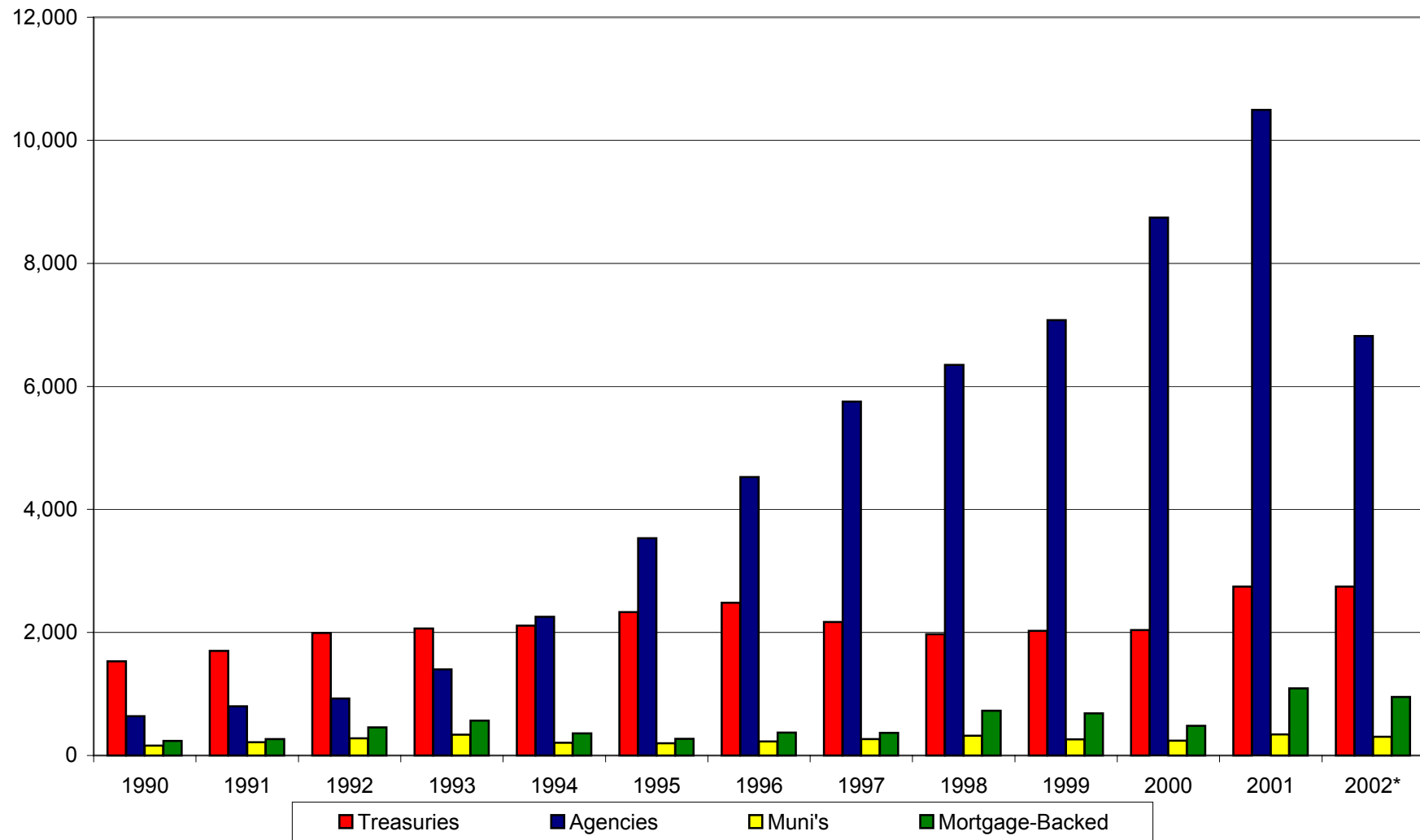


Note: Current Quarter Exceptions:

1. 7/29/02, 13- and 26-week bills, release time:1:06:30, 13-week bill press release not sent to Treasury press room in a timely manner.
2. 7/30/02, 4-week bill, release time:1:15:09, a system error required manual intervention that delayed release.

Debt Issuance

\$ billions

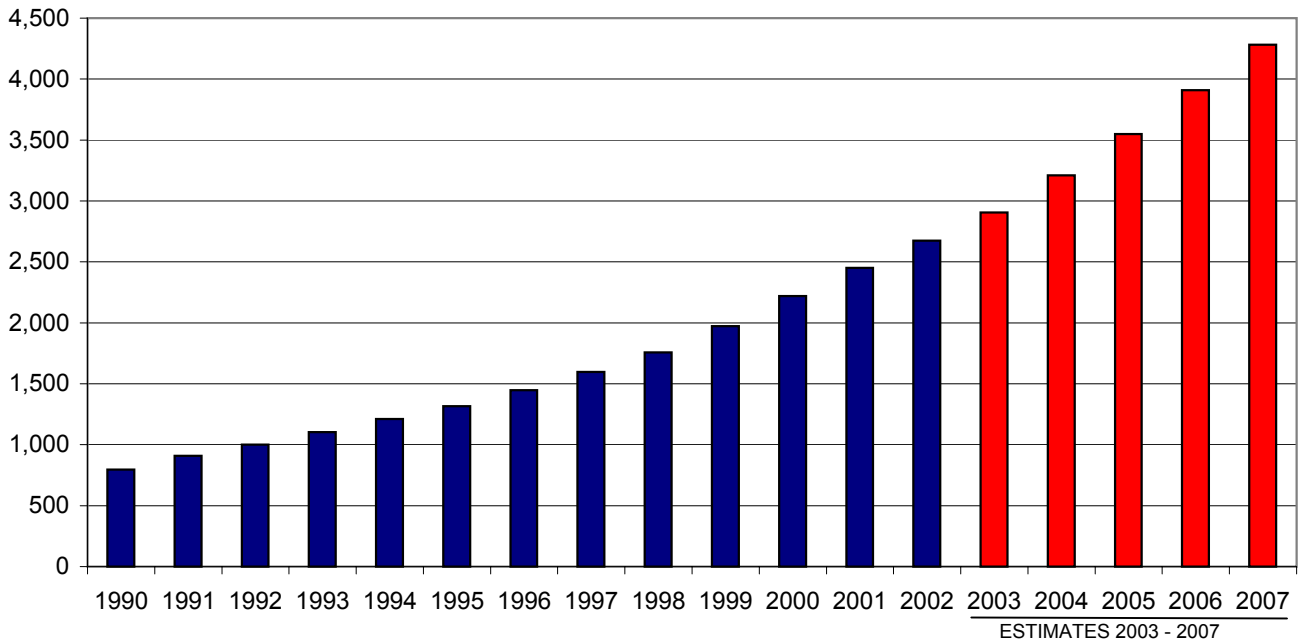


Source: The Bond Market Association

* As of September 30, 2002

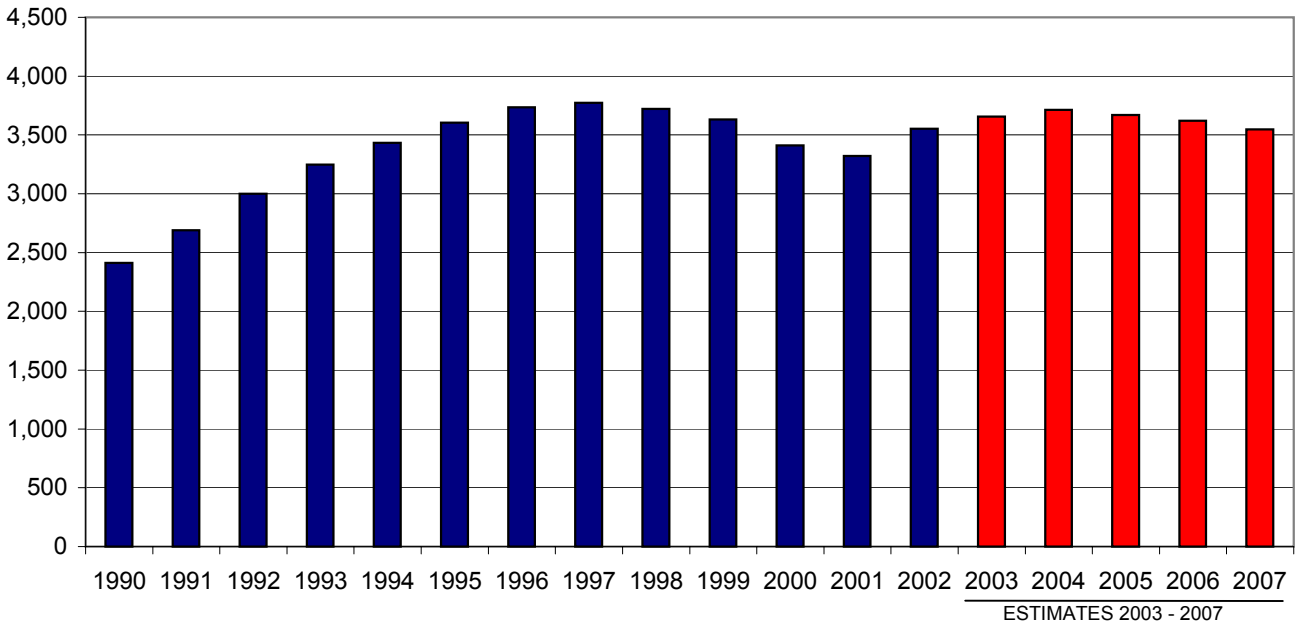
Intragovernmental Debt

\$ billions



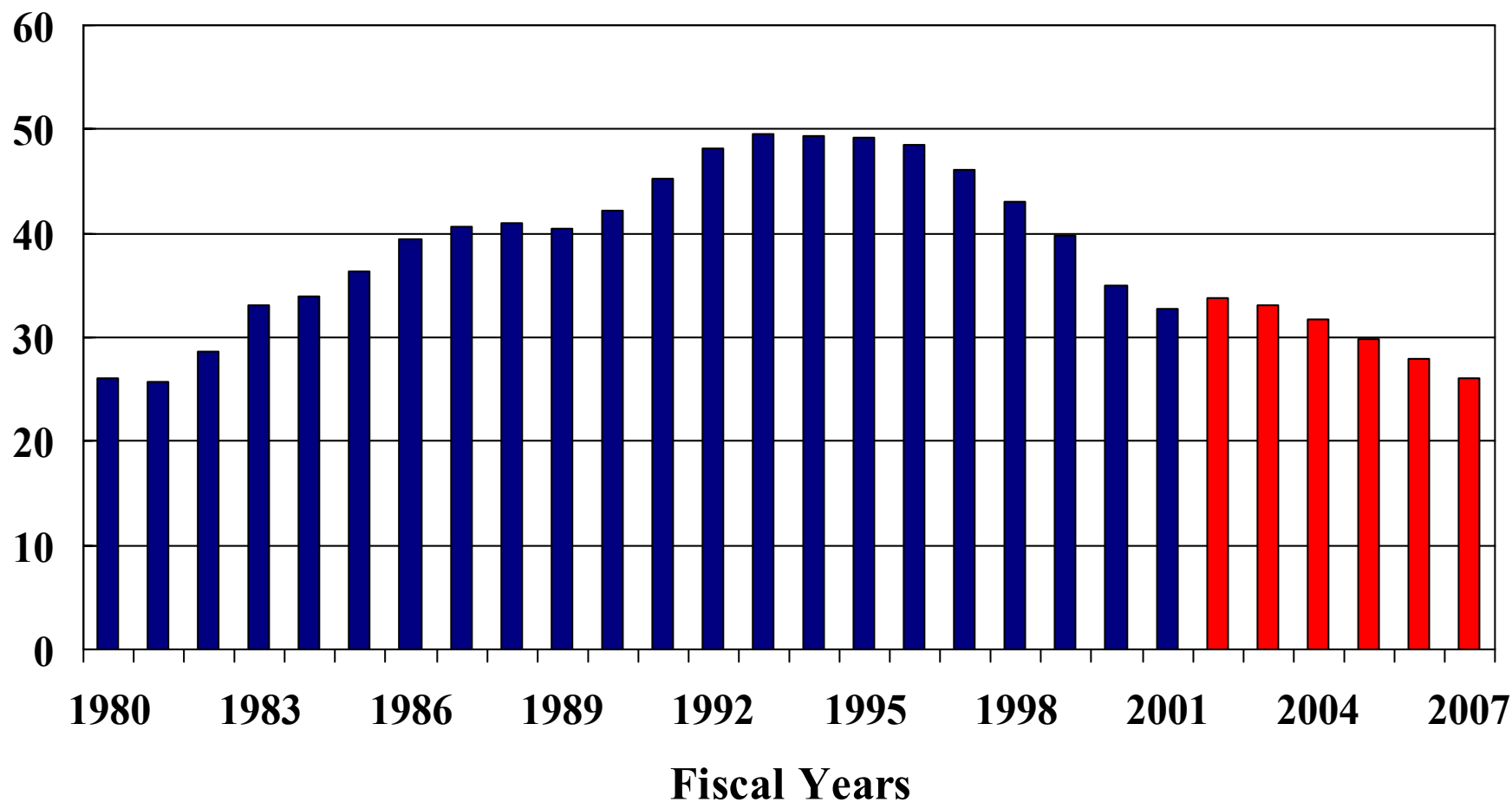
Debt Held by the Public

\$ billions



Publicly Held Debt as a Percentage of GDP

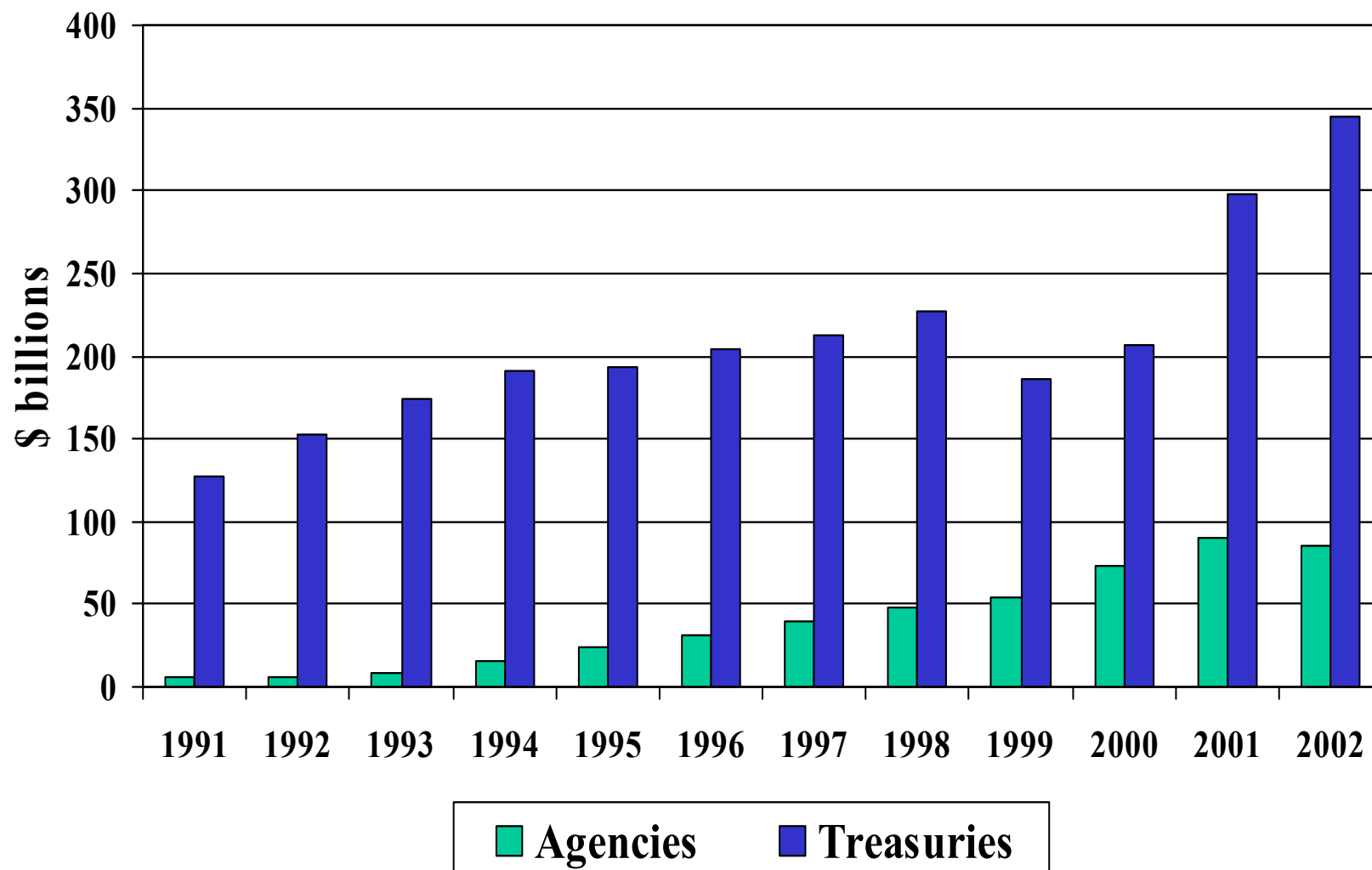
Percent



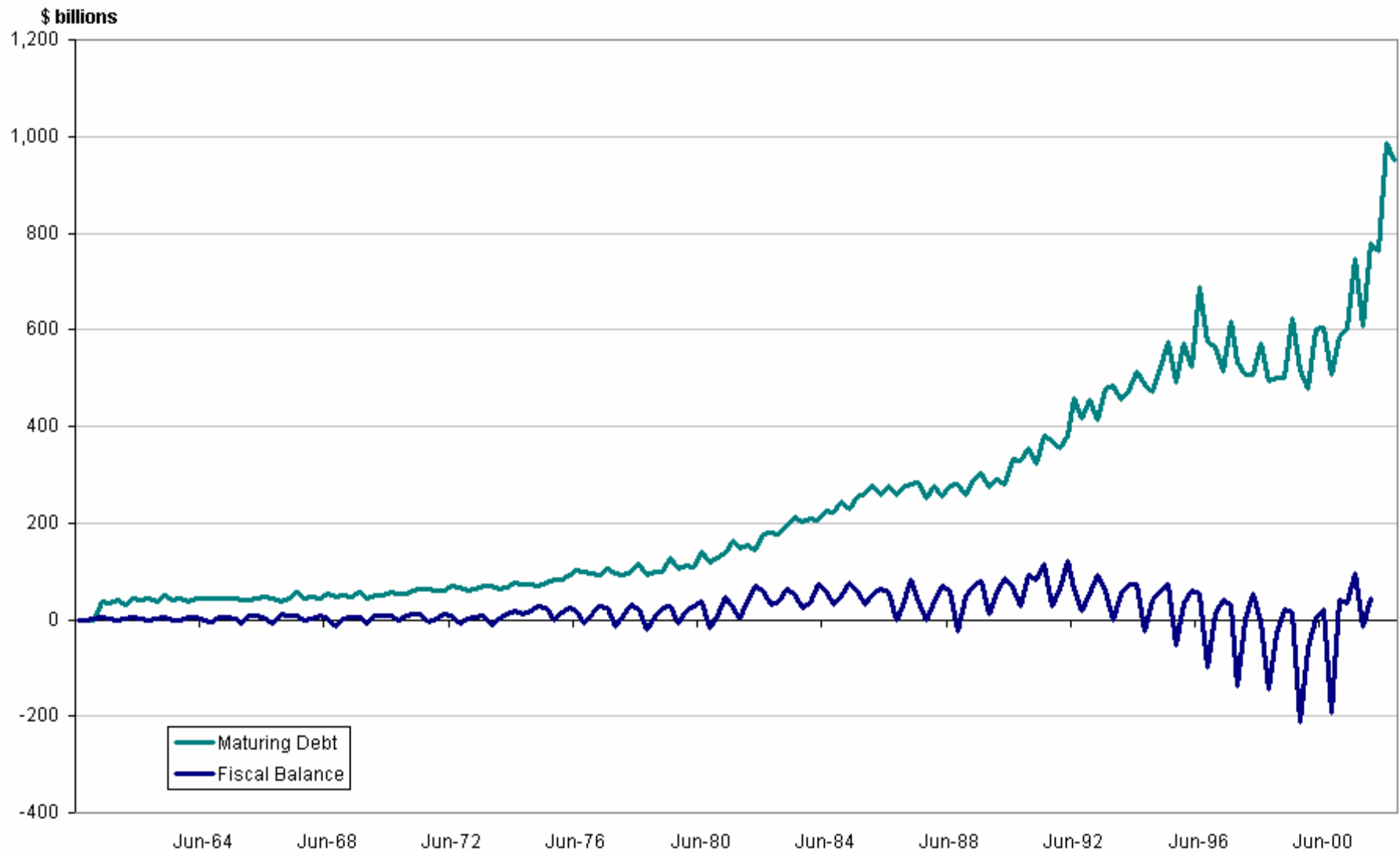
Quarterly Interest Payments on Public Debt



Average Daily Trading Volume



Quarterly Financial Obligations



Treasury Financing

- Our Objective
 - Lowest cost of financing over time
- Constraints
 - Uncertainty
 - Regularity and predictability
 - Legislative commitments
- Policy Outcomes
 - Regular market participants, not market timers
 - Continuous improvement in the auction process
 - Transparency, consultation with market participants